

## REMARKS

The Office Action of September 13, 2004 notes that claims 1, 3 -11, 13, 14 and 16 -31 remain withdrawn, and that claim 2 is finally rejected as: (1) res judicata in view of the Board's decision of 2/27/04; (2) as unpatentable under 35 USC 103(a) over Ueda '030 in view of Ogino; and (3) as unpatentable under 35 USC 103(a) over Case in view of Schnitzler.

Regarding (1), res judicata is **not** a proper rejection where the issue raised has **not** been completely considered in the prior proceeding, i.e., by the Board of Appeals.

The question for consideration by the Board of Appeals was whether due consideration was given to the remarks made by applicant in their Post Hearing Memorandum. The Board stated in its decision on Rehearing, dated May 28, 2004, in footnote 1 on page 2 stated that "Such a memorandum is not found in and is not of record in the application file..." This continuation was filed to make the memorandum of record and request consideration of its contents. In this Office Action, no mention is even made of the memorandum. Instead the examiner states "...a submission containing arguments without either an amendment of the rejection claims or the submission of a showing of facts will not be effective to remove such rejection..." citing MPEP § 706.03(w) and 1214.01. MPEP § 706.03(w) does authorize an examiner to apply a res judicata rejection but it says nothing about a prerequisite in the form of "an amendment" or "a submission" as noted by the examiner. MPEP § 1214.01 relates to procedures following a new ground of rejection by the Board. This is certainly not the case here.

The question raised by the memorandum has not been addressed and it is respectfully submitted that the filing of the continuation application for the purpose of having this question addressed is proper and should be done. Applicant needs to have this question

answered so that an appeal beyond the Patent Office can be taken. The issue is critical to the invention. Therefore, an appeal beyond the Patent Office would be pointless if this issue is not included.

As to the finality of the Office Action, it is respectfully submitted that it is inappropriate since the issues raised in the noted memorandum have not been addressed. It is not enough that the art rejections have been repeated because the distinction made in the memorandum would patentably distinguish claim 2 over the art rejections

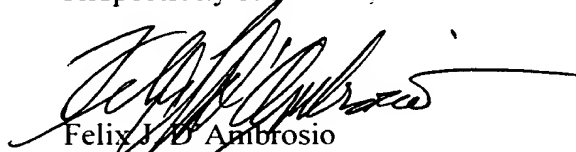
As to (2) and (3), they do not teach or suggest having the graphite 41 surround the fibers 40. That is the point being made, and illustrated, by applicant in the noted memorandum

It is respectfully requested that the finality of the Office Action of September 13, 2004 be withdrawn and that the memorandum be considered against the art rejections noted.

As to the propriety of the RCE filed, it was timely filed on July 28, 2004, which is two (2) months after the decision of the Board on rehearing (reconsideration). See 37 CFR 1.304.

Reconsideration is respectfully requested in view of the above and an action on the noted memorandum rendered.

Respectfully submitted,



Felix J. D. Ambrosio  
Reg. No. 25,721

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BACON & THOMAS, PLLC  
625 Slaters Lane - 4<sup>th</sup> Floor  
Alexandria, VA 22314 - 1176  
(703) 683 - 0500